

Interview with Mr. John Fobes , 2011

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Marshall Plan Series

JOHN FOBES

Interviewed by: Melbourne Spector

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Q: This is an oral history interview with John Fobes. It's a part of the Marshall Plan Oral History Project of the Foreign Affairs Oral History Program under the aegis of the Association for Diplomatic Studies. It is located in the Lauinger Library of Georgetown University. The project is financed by a grant made by John J Grady. My name is Mel Spector and I direct the Marshall Plan project.

John Fobes was one of the earliest persons on the scene. His participation illuminates another part of the organization and administration of the Marshall Plan.

Well Jack, let's begin at the beginning. What were you doing just previously to the Marshall Plan? Then let's get to your actual participation.

FOBES: I was in the Bureau of the Budget in the Division of Administrative Management working under Donald Stone and with a man named Alvin Roseman. Our section dealt with international activities, so we looked at both the management of international activities and handled the estimates, the budget estimates, for the Department of State, and certain

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other activities. So it was natural that some of us had been aware of the preparations for the Marshall Plan, the preparation of the public law and so on.

Q: Had you participated in any of the planning for the Marshall Plan as such?

FOBES: No, it had been Roseman and Stone who really participated, who went over to the Department of State for months talking about how to implement Marshall's speech.

Q: I see. So then give me the details of how you actually got into it.

FOBES: To refresh my memory, I had to look in my files, but I did remember one thing for sure, and that was that Paul Hoffman, whom we already admired even before he took office as the administrator of the ECA [Economic Cooperation Administration] because of his work with the Conference on Economic Development, I think it was - well, let's say, with those industrialists who had a broader perspective. [Tape recorder turned off]

So I remember that Hoffman was sworn in by Truman on Thursday, the eighth of April. It was natural, I guess, that Hoffman would call upon Don Stone as the director of this administrative management unit of the Bureau of the Budget. Stone went over to Hoffman's office, which was in his hotel room at the Hotel Statler, on Friday, the ninth. And on Saturday, the tenth, in the morning, while I was having breakfast, Stone called and said, "Get downtown because I need some help. Mr. Hoffman wants to start work with the ECA on Monday. We'll have to find some offices."

So I went down and met Stone and met Hoffman in the Hotel Statler, and by Monday morning we had some offices - I don't remember all these details - in the old State Department building. We got some furniture moved so that Hoffman could establish an office there. I do remember, and this would be relevant to your interests, Mel, that already - well, sometime that week beginning Monday the twelfth, someone brought to us, maybe from the Department of State, a pile of applications from people who wanted to work for

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the Marshall Plan. And so one of my first jobs after setting up a desk for Stone and myself was to start looking through these applications.

After that, lots of other people were borrowed from various places, including the Bureau of the Budget and the Department of State. I then was formally designated - still on loan from the Bureau of the Budget - as special assistant to Donald Stone, who had become the director of administration for the Economic Cooperation Administration (the formal name of the Marshall Plan organization). He was also borrowed. None of us knew how long we would be there at that time.

It was an exciting time. Things changed every day. I think I already told you that each day there was a new telephone directory, or rather a supplement to the telephone directory, as people came on board.

I think you want me to talk about the things that I did, and you'll fit them in to the other things that you're learning about those early days.

Q: Right.

FOBES: So for the next two months I was preparing papers for Stone, who would go to meetings with Hoffman and Howard Bruce, his deputy and others. I was still reviewing files of applicants who wanted jobs (before the Office of Personnel got going), and preparing administrative memoranda from Stone to the freshly appointed heads of divisions and the like. But the turning point came some time in June, I'm not sure - for me, at any rate out of this daily flood of administrative matters.

Stone got a call from Hoffman. Hoffman said, "I have to go up to Congress now and justify appropriations. We have the public law authorization, and one of the things concerning which I don't know what I'm going to say deals with (I think it was) the third task of ECA which is to furnish technical information and assistance." I think the first two dealt with furnishing commodities and loans and grants. Hoffman said, "I'd like to know what I'm

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supposed to say about that.” And somewhere or other someone was proposing that the appropriation include \$12 million - this is rough; it might have been slightly different - for technical assistance.

Q: I didn't realize that it was in the original act.

FOBES: Yes. Section 111 provided “Procurement for commodities, processing, storing, transporting,” and then “Procurement of and furnishing technical administration and assistance.” What Stone did was to call up a management consultant that he knew; I think his name was Arthur Mosler. I'm going to look and see. [Referring to papers]

Q: That name rings a bell.

FOBES: Arthur Mosler. Mosler and I had only three or four days to prepare Hoffman's testimony. We holed up in a hotel room, I think - I've forgotten whether it was the Statler - but at any rate we spent not quite 24 hours a day, but pretty close to that, and typed a justification and an explanation as to what was technical assistance. Now, obviously, we already had Department of State experience under the Greek-Turkish Aid Act, but we did not yet have Truman's Point Four address, however.

Q: That's true.

FOBES: But the Department of State had plenty of experience, and I remember talking to people there. I forget who.

Q: And we did have the Institute of Inter-American Affairs which had been giving technical assistance.

FOBES: Right. So we had a basis. What we did was describe, I think it was, eight forms of technical assistance, which included the provision of experts obviously, the giving of fellowships for training in the United States, the provision of some kinds of equipment,

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visual aids, learning materials, books, hiring of management firms, workshops, that kind of thing. We even prepared a chart for Hoffman to display if he had to. Here it is.

Q: That's wonderful.

FOBES: And I believe his testimony must have occurred at the end of June or early July to get his appropriation. But this is not in my memory exactly.

Hoffman was stimulated, I think, in part by this material, but probably also recalled his experiences with his industrialist friends in that Committee on Economic Development. Because sometime in July or August Hoffman called Stone and said, "I've talked to Philip Reed, chairman of the board of General Electric, and he's prepared to head a program to help Great Britain on productivity, industrial productivity. He's designated his assistant, a fellow by the name of Stanley Holme, to talk with us about how we can support such a private initiative. It will be government-supported, but it will be out of American industry directly to British industry."

Stone called me in and said, "So what do we do now?" He sent me to New York to talk to Philip Reed and Stanley Holme. Out of that emerged something called the Anglo-American Council on Productivity.

Q: I remember hearing of it.

FOBES: I've forgotten the names of the American section members, but they were drawn from both labor and management. The labor members were suggested by the two labor advisors to Paul Hoffman. One of those advisers was Clinton Golden, and the other came from the AFL, I guess. And Phil Reed picked the management members of the American section.

We had to move rapidly. In September of 1948 the first meeting of the American section was held. In November the American members all traveled to London and we had the

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first meeting of this Anglo-American Council, which had an exact UK counterpart to the American section. The Federation of British Industries picked management members, and - I've forgotten the correct name; not the Labor party, but Britain's trades union Congress - picked labor members.

Q: And your role in this, Jack, was what?

FOBES: My role was Hoffman's representative to what he considered was a private initiative, which it was, but, in fact, the ECA, the Marshall Plan, was paying for the travel of these people, and was prepared to support any proposals they made that we could.

Out of it came, to be very short, a series of productivity teams, which came from Britain to the United States to make tours, to look at our methods of management and labor relations. Those were financed by the Marshall Plan.

Q: Now, organizationally, you were still a part of Donald Stone's office?

FOBES: At some point that summer there was appointed in the Marshall Plan offices a technical assistance advisor, whose name will come back to me if I look at my records, but I may have to add it later.

Q: Sure. We will send you a copy of this to be edited, of course, and amended.

FOBES: So Don Stone said, "Look, this man who's the technical assistance advisor needs a lot of advice on getting started, so your other assignment is to go and help this man." So I was dividing my time between the Anglo-American Council on Productivity and what later became a Technical Assistance Division, which subsequently became the Productivity and Technical Assistance Division. We can, if you want, come back to that Anglo-American Council on Productivity, which was kind of a semi-independent operation, which lasted for two years with these productivity teams. But I'd like to say that in the fall of 1948 there was then formally established a Technical Assistance Division, and I became the assistant

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director or program officer for that. So I left Don Stone's office and went to this technical assistance office.

It didn't come into full operation, I believe, until December of '48, and one of the first jobs to do - you will appreciate this - was to go and negotiate with the Department of State on the division of functions, because the Department had a committee - I think it was called Scientific and Cultural Cooperation. Yes, it was the SCC Committee of the Department of State. I think Ty Wood was one of those involved in that committee before he came and joined the Marshall [Plan].

Q: It could have been. I believe he was the Deputy Assistant Secretary for Economic Affairs, some title such as that. So this would fit in.

FOBES: It was under that deputy assistant secretary, I think, that there was a departmental Committee on Scientific and Cultural Cooperation. So we negotiated in January of '49 a memorandum of understanding as to what the Marshall Plan was going to do in technical assistance, and how that would fit with what the Department of State was already doing or financing or arranging. It listed fields and countries so that we wouldn't duplicate each other's efforts. It was at that point that we really began to define what we meant by productivity in Europe, what we meant by agricultural recovery in Europe. Don Stone insisted that there also be a big element of improvement of government administration in Europe.

Q: It sounds like Don, and good for Don!

FOBES: Yes! So there was industrial recovery, obviously, of the devastated Europe, agricultural recovery, and then we added productivity. It had to be more than just straight recovery. It had to embody the American experience during the war and on productivity. That is, output per unit of input, and that included improvement of government management.

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Q: So after your initial work with the Anglo-American Productivity Council and you set up this organization, then you were spreading your technical assistance productivity help to other countries of the Marshall Plan?

FOBES: Yes. And that came very rapidly, partly because the office of the special representative in Paris was now engaged in talking to OECD countries, and they were interested in technical assistance. So we began to get all kinds of requests. In fact, a flood of ideas from European countries.

Q: Was that when what was so-called participant training was begun?

FOBES: Early in '49 we were heavily engaged in participant training, yes.

Q: How did the phrase "participant training" come? That's unusual. I don't think any other part of the government used "participant." Do you have any idea?

FOBES: No, I don't have any idea, and I hadn't thought about this until you mentioned it. Well, one of the basic assumptions of the Marshall Plan was that the European countries had to get together to cooperate, and to help each other, and decide, and make their own plans for their recovery. Our aid, so to speak, was contingent upon their working together. I think out of that spirit came the idea that persons who were going to benefit from technical assistance were "participants" in this cooperative recovery program. I think that may have been the origin.

Q: I think we have gotten away too much from the idea of cooperation and participation - this is just an aside. We coined the word back in '62 or '63 of "aid," which I never liked, of "aiding" somebody. Whereas the very first time with the Economic Cooperation Administration - emphasis was on the cooperation.

FOBES: I fully agree with you. And here's a digression now.

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Q: But I'd like it!

FOBES: In September of this year [1990] there was called a conference in Wolfsburg, Germany, sponsored by the Volkswagen Foundation. The conference was called IPI - International Partnership Initiative. It was a conference to discuss how Western Europe could assist Eastern Europe in transformation. It had high-level attention. Chancellor Kohl spoke and Michel Rocard, the prime minister of France, was present, and other high-level people. The reason I thought of it is the use of the word "partnership" between East and West Europe, but also because invited to that conference was Donald C. Stone. He was asked to come and talk about how the spirit of the Marshall Plan might be reflected in this new East-West partnership.

Q: That's wonderful.

FOBES: And I thought that was a connection that was marvelous.

Q: That's beautiful.

FOBES: Well, back to 1949.

Q: Back to early '49.

FOBES: Yes. We reached an agreement with the Department of State. We began to be flooded with proposals from the European countries covering everything, including improving their social security systems, proposals to train foremen in industrial plants (to become participant-training candidates).

And the French, I think on their own initiative, but inspired in part by the Anglo-American Council on Productivity, said they would like some help from the United States for measuring productivity in industrial plants - well, in all economic activity. So we found a couple of people here in Washington, whose I names won't come back to me now, but who

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came out of the Bureau of Labor Statistics, for example, one of them that I can think of. There was a major project to help in studying and measuring French productivity.

Q: Excuse me. [Tape Recorder turned off]

FOBES: What I thought of next was the fact that in 1949 the Technical Assistance Division was headed successively by two men brought in from outside. One out of industry, and one out of, I think, publishing - it might have been McGraw-Hill - for industry. Speaking frankly and off the record, both of these men were really very fine men. I was, in effect, the assistant. I admired them and liked them, and even had an affection for them, but they both found it very difficult to work in Washington.

Q: Work in the government.

FOBES: Work in the government. [Laughter] So these were not particularly successful experiments in managing the Technical Assistance Division. It was not bad, but it was difficult.

I do remember, also, that in this period the Office of the Special Representative in Europe, and particularly the Industry Division headed by a man named John Quinn, with an assistant for technical assistance to industry by the name of Scott Behoteguy

Q: Scott Behoteguy!

FOBES: It's a Basque name. By the way, he lives in Florida now and is still very active.

Q: Good for him.

FOBES: I mention this because it wasn't competition, in a sense, but both the Washington technical-assistance people and the Paris office of the ECA wanted to show that they were the initiators of ideas. So I made several trips to Paris to come to an

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understanding between the two, the Washington headquarters and the Office of the Special Representative.

Q: May I interrupt here a minute, Jack? So I understand that in Washington we had a separate office called the Office of Technical Assistance?

FOBES: Initially it was Technical Assistance Division under, I think, the director of operations.

Q: Here in Washington?

FOBES: In Washington.

Q: But in Paris?

FOBES: In Paris we had an Industry Division, a Finance Division, an Agriculture Division of the Office of the Special Representative. There was no single coordinator of technical assistance. And, I guess, my point was that when I would go to Paris I had to deal with all these separate offices.

Q: I see.

FOBES: The most active of which was the Industry Office, and very logically. We did more work for industry and manufacturing than we did for agriculture, for example. That was Europe's biggest need at the time, of course. We did some work in transportation, advising on the rebuilding of the transportation network. Typically American was also the development that - apart from productivity on the plant floor, we decided that the Europeans ought to learn about American marketing techniques. So there were quite a few projects, mostly proposed by the U.S. side, less emerging from the European side, on modern marketing techniques.

Q: Well I think you taught them well. [Laughter]

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FOBES: In addition to this understanding with Philip Reed of General Electric on the Anglo-American Council, I remember, we made a number of contracts with management and industrial consultants to help. That was part of Paul Hoffman's idea, to involve these people.

Q: Made sense.

FOBES: Without remembering names of individuals, I remember having to receive the representatives of a number of management and industrial consulting firms. A man named Eldridge Haynes was the publisher of something called Modern Industry, and who claimed to be, in effect, on the cutting edge of American industrial thinking, who offered to mobilize the support of a wide range of American industry people, management people, and to actually conduct some seminars. It was a successful venture. That went on in '49 and '50, I would say. I just want to emphasize that we did use a great many private-industry contracts. The work was not all done by the ECA staff.

Q: These seminars, those were held over in Europe?

FOBES: Both here in the US and in Europe.

Q: So whatever participant training there was done in ECA was being done by your organization?

FOBES: Yes. A lot of it just by calling up - either through labor unions or through industrial contacts - American industry, and asking whether they would receive some Europeans or individual Europeans sometimes for only short visits of a week, sometimes to keep them around for three months of training. In order to do that, the flow of these participant-training people was so great that we had to establish a New York office, because that's where the arrivals, whether by boat or plane, came in from Europe.

Q: I didn't know that. You had a New York office?

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FOBES: Had a New York office, mainly to receive the trainees.

Q: I see.

FOBES: Some of them were high-level types that therefore needed to be catered to.

Q: Given special attention to.

FOBES: Yes.

Q: You say that most of your help was in the industry field, but was there a difference - if you can categorize it by countries - between the countries of Western Europe and, say, the countries like Greece, Turkey, and Ireland?

FOBES: Yes. In fact, Greece and Turkey and Ireland, you've singled out the ones that were quite different than UK and France and the Netherlands and Belgium.

Q: And I might say on November 2, 1990, that they still are a little different. Greece and Turkey were different because there had already been a special aid program under the Truman Doctrine.

FOBES: Yes. In fact, there was a special office for Greek-Turkish aid. And even initially there was a special office for China which was brought in - I don't know where Harlan Cleveland had been before that, but he was brought into the ECA as the China aid administrator.

But Greece, Turkey, and Ireland in particular received agricultural assistance, but also a number of projects in Greece and Turkey related to government management, government administration.

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Q: I believe there had been help going on in Greece even before the Marshall Plan, in public administration. I think with Bill Coleman and Manny De Angelis. I believe they were there very early in the game.

FOBES: Your recollection is better than mine.

Q: Well, I've been doing a little studying.

FOBES: I remember visiting Turkey early in the game, in early '49. The thing that most impressed me was that we had been furnishing a lot of heavy equipment to rebuild roads and, I don't know, many other things. The ambassador pointed out a golf course outside his home in Ankara, up on a hill, and said, "We built this golf course with the heavy equipment that came under Greek-Turkish aid." He said, "I saw those bulldozers sitting around inactive so I put them to work building a golf course for me."

Q: You might be interested - I don't know whether you remember the name of the ambassador.

FOBES: I don't remember.

Q: I don't. He was a very famous mid-eastern ambassador and it is known that wherever he went he created a golf course. So in your case, he was able to do it more easily. I forget; he's a very famous ambassador. [Laughter]

FOBES: Well, I wish I could remember some other examples, non-industrial examples of assistance. They don't come to mind now, so I'll just signal that.

Q: But at this point as far as the European office was concerned, there was no discrete office for productivity and technical assistance?

FOBES: No. Later, in what succeeded the office of the special representative - and I've forgotten exactly what it was called - there was a productivity unit. But we'd already

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left Marshall Plan days. We were dealing with NATO days. Moreover, the OECD had established a productivity division in the OECD, and a productivity council.

Q: Oh, it did?

FOBES: That didn't emerge until 1951. And it simply came about because the Marshall Plan technical assistance had emphasized productivity in several countries, not just UK and France.

Q: Of course.

FOBES: And out of that emerged the demand from these countries that the OECD council appoint a productivity committee.

Q: I see.

FOBES: So that was a very positive result, in effect. They were no longer looking to the U.S. particularly for assistance or even for training. They were able to talk about it among themselves, and to help each other. I remember the Dutch and the Belgians and the French were actually engaging in their own technical assistance programs among themselves.

Q: Excellent. So through '49 you were still engaged in this?

FOBES: I was the number two in the technical assistance.

Q: You were the "permanent undersecretary" in British terms.

FOBES: We went through that period of '49 with these two outside directors. It was followed in 1950 with the appointment of a man named William Hoff as the director of what then became known as the Productivity and Technical Assistance Division. PTAD was the acronym.

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Q: And before that it was called . . .

FOBES: Just Technical Assistance Division. It had doubled in size, I think, in staff, by 1950. It was an important division. Not in the amount of money it was handling, but in the number of project activities.

Q: Aid, of course.

FOBES: I can't bring up figures.

Q: No, but I understand. It would be very small compared with the billions that went into economic assistance. Again, why the emphasis on productivity? Why use that word in the title?

FOBES: The Europeans interpreted it as a way of changing old-fashioned ways in Europe of operating industry. Partly efficiency, and partly they realized that they had to create a different mentality on the part of their managers, on the part of their foremen, and on the part of their workmen. On the U.S. side, however, I can remember that, by the end of '49 - and I'll caricature this a little bit - the leaders of the ECA - I'm thinking of Harlan Cleveland, Dick Bissell, perhaps some others could be put in that category - were saying, "What you're doing is very nice." They almost said this in so many words. "Fobes, all kinds of wonderful little things are happening here, but we're going to have to justify this on economic grounds. You're going to have to show that this relates to what we consider are important elements of the European economic system."

Productivity appealed to them, but by 1950 the U.S. Government leaders were saying - and it became very evident in 1951 - "We're thinking about European security, we're thinking about European defense production, and we want to see that what you're doing is related to hard economic output, and not just changing mentalities, and learning about the

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modern world." I'm rushing a little bit ahead, and you can come back. And remember, we changed the name of the ECA to the MSA, Mutual Security Agency. I think it was in '51.

Q: Probably.

FOBES: It may have been early in '51.

Q: Yes. It was probably more related to NATO.

FOBES: Because the North Atlantic Pact had been signed at the end of '49 or early '50. And, in effect, the Technical Assistance Division had to justify better what it was doing. Although the Congress had been most generous in its authorization and its appropriations, the impression was that now the congressmen wanted a little more harder justification for everything we were doing. This is one reason why, I think, someone like William Hoff, whom I mentioned came as the director of this Productivity and Technical Assistance Division, was regarded as someone who could be tougher in justifying.

Q: Do you know something about his background?

FOBES: No, I have a hard time remembering that one. I can't recall his background. He had government experience.

Q: Probably industry, too, if they were emphasizing productivity.

FOBES: It seems to me he was a lawyer, and he'd been in a law firm that had something to do with industry. That's a vague recollection. And rushing ahead still, by the end of '51 I felt that the halcyon days from April of '48 until, let's say, the middle of '50, had passed. Although I could be a good manager-adviser, it wasn't quite as inspiring as I thought.

So in '51 I left Technical Assistance Division, late '51, and moved back to Donald Stone's office initially as the deputy director of organization and management under Alvin Roseman. And then Alvin left - my dates are not very clear - and I became the director

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of the O&M division, which previously had such luminaries, who knew something about public administration, like Roseman and Harry Fite. I forget other names. The Anglo-American Council on Productivity issued a final report. It was a quite impressive report, I believe. The final report was dated - I'm looking at it, it's in my hand now. I found it in my files.

Q: That's wonderful. I want to commend you for keeping any files. Most of us did not which is too bad.

FOBES: In May 1952. The last meeting had been, held in '51, so it really went for - let's call it from September 1948 until the end of 1951. The final report was published by the UK with an opening note of appreciation for what the U.S. - what Philip Reed and General Electric and other leaders - had done to help Britain. I see a clipping here from Herald Tribune in Paris in 1954.

Q: '54?

FOBES: Yes, '54. Because what happened was that there had been sixty-seven productivity teams.

Q: Sixty-seven? From the Anglo-American?

FOBES: Under this Anglo-American Council on Productivity. The final report, even though the council itself went out of existence, the final report of one of these teams was in 1954. That's why it got some attention. It was called "Industrial Engineering." It pulled together a lot of the reports of teams under that heading of industrial engineering, and paid tribute to U.S. support. If it's of assistance to you, I would be glad to loan this little file, which I was just lucky enough to find.

Q: That would be fine.

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FOBES: My name is on it.

Q: Oh, good. Because I still have some files of Don Stone which I've got to get back to him.

So the Anglo-American Industrial Productivity thing seemed to go pretty well. At any time other than this, was there any kind of a summation of what was accomplished by the technical assistance and productivity work?

FOBES: I can't remember, nor can I find in my files anything on the U.S. side that summed up. I'm almost ready to say that technical assistance under the Marshall Plan just petered out without either a final song of praise or of sadness.

Q: But the proof of the pudding was in the eating in terms of Congress kept appropriating funds for the activity.

FOBES: Yes. Another more positive way would be to say two things emerged from this Marshall Plan technical-assistance initiative, which I think deserved great praise for at least what it did in '48, '49, and '50. The Point Four speech, Truman's Point Four speech, 1949, he having been elected in that wonderful election in 1948, caught on everywhere. You could say that the good work of the Department of State under certain programs, but especially of the Marshall Program under technical assistance, was one of the reasons why technical assistance had a good name. Point Four was accepted by the UN and by the United States.

And the other development was the way that the Europeans had reacted. The OECD establishing a productivity council, and perhaps if we wanted to we could trace the subsequent European attitude toward providing assistance to the rest of the world to the model furnished by the United States. Europe had to recover itself, both economically and psychologically, and it did so in many ways, including its ability when it began to aid its

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colonies and eventually participate in United Nations technical assistance. It was 1949 but it reflected what we had prepared in 1948.

Q: Excellent. This is wonderful. [Referring to papers] I'd like to do a whole history just of technical assistance.

FOBES: I'm not pressing any of these things. You may have already too much of what you wanted.

I think it's worth mentioning that in 1949 we were expanding the variety of activities, of participant training, of provision of experts, and so on. And we had run into the problem of counterpart funds. I believe the law said that when it came to technical assistance some form of counterpart deposit by the European recipients would be required. We arranged - and I don't remember how that since it was hard to identify the specific beneficiary (because they weren't getting a commodity) we would ask the governments to deposit five percent of the value of the technical assistance into the counterpart funds.

And even that became difficult. That is, European governments would say, "Well, I don't know which department's budget this should come under," and "This is for the benefit of all industrial plants in the field of machine tools," for example. "How are we going to get this?" I don't remember all the details, but I can remember preparing memoranda to suggest either that we didn't need to ask for this counterpart deposit, or memoranda justifying to the Paris office why they had to go out and beat these governments over the head to get some counterparts.

Q: Because they were already depositing an awful lot of counterpart just on the economic assistance they were getting.

FOBES: That's right.

Q: An enormous amount.

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FOBES: The reason I can identify this Technical Assistance Division is because here's a memorandum I prepared in April, '49, trying to explain, I think, to our own Marshall Plan staff, what was technical assistance, and why were we doing it.

Q: *Oh, wonderful.*

FOBES: I don't think this was the original Mosler-Fobes, but it was pretty close to it. This is a kind of a wall chart. It's one I had to explain to other staff, teams, individual technicians for participant training, in-plant training, U.S. experts, special surveys. We managed to think of sixteen.

Q: *[Reading from paper] "Conduct of management seminars or clinics, exhibits in Europe of U.S. products, techniques, and processes. Analysis, design performance method of manufacturing in the U.S. of European products. Replies to technical inquiries by mail from Europe." That's interesting "Preparation of special analysis of U.S. experience."*

FOBES: That "replies to technical inquiries" and was part of the contract with Eldridge Haynes, the publisher of Modern Business.

Q: *I see.*

FOBES: He said that his staff would know how to reply to these inquiries. There weren't a great many, but there were some.

Q: *"U.S. productivity, comparative factory performance data to Europe, U.S. industrial testing and research equipment to Europe, U.S. technical and scientific literature to Europe." That's an important one, too.*

FOBES: Again, that was Eldridge Haynes saying Modern Business would collect literature.

Q: *You know, this was expanded all over the world. We had outfits in Mexico and in northern Africa preparing literature in Spanish and in French - translations - and it's*

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something that still is needed, by the way. "Digests and abstracts of current U.S. technical literature to Europe. U.S. technical and training films to Europe. Special visual aids to Europe."

FOBES: Pick out those things that are relevant.

Q: This is fascinating.

FOBES: In view of your interests that you just explained, Mel, I can't tell the source of this, but here is a strictly confidential memorandum. It says, "April, 1950. To the Council of Economic Advisors," explaining the political significance of the Point Four program, the problems in Washington among government agencies in trying to carry out the Point Four program, what the State Department plans or hopes to do to bring a little more order into this. Well, that's the sum. On it is a note from someone in the Marshall Plan to me, "Who wrote this excellent statement?" And I don't know! The problem is, I don't know. [Laughter] And this is a memorandum, it must have been. I think it came out of the State Department somewhere.

Q: I see.

FOBES: It doesn't show any source. Probably I was afraid to identify how I got it.

Q: Excellent. Okay.

FOBES: Well, I'm trying to see if there are any other significant things.

Q: That looked like a manual issuance of some kind.

FOBES: No, I'm looking at a 1950 message - "Paris to Washington, 1955" - explaining the importance of the OECD European Productivity Program. Somebody in Washington had questioned whether this was an important activity, and this was an explanation back to the people in Washington saying this emerged out of something that we started.

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Q: I see.

FOBES: And it is important. I guess somebody in Washington wanted to know how, under the new setup at the OECD, how the U.S. could relate to this. Well, by that time it had not become OEEC yet, under which the U.S. became a full participant. So I guess it was an uneasy period in which we didn't know what . . .

Q: Also, I believe, as I've said, that when Stassen set up Foreign Operations Administration, FOA, he downplayed technical assistance. I think this could be a reflection of wondering about anything that related to technical assistance. Perhaps you recall Jack, that during this time, about in the mid-'50s, the Senate itself, the Foreign Affairs Committee under the leadership of Mike Mansfield, did a whole study of technical assistance. Mansfield was very interested in technical assistance, more so than the FOA itself had been.

FOBES: You mentioned earlier - I don't know how it arose - your friend Everett Bellows.

Q: Correct.

FOBES: Everett Bellows became the director of the Productivity and Technical Assistance Division in 1951. His assistant was Bob Oshins. And I had by that time moved back to work under Donald Stone in the Organization and Management Division. It became quite a large division, and in October of '51 - Bellows did a good job - in October of '51 he received approval of a reorganization, and even an expansion of the staff, and a justification for the program, which I note was approved by Richard Bissell. It was he who had been raising questions and a demand that productivity and technical assistance have a new look and program. There was a request that it establish closer relationships with the defense production activities of the MSA that reflected concern for NATO.

Q: I see. That's interesting. Later Everett went to Paris?

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FOBES: Yes.

Q: By then there was a unit in Paris, or perhaps he set it up; I don't know which.

FOBES: I think he must have set it up. Yes, he must have gone to Paris then in '52, perhaps.

Q: Now, let's continue with you. You went back to Donald Stones office?

FOBES: To head up the Office of Organization and Management, which was under the director of administration.

Q: This was about what year now?

FOBES: '51. Where I remained until the summer of 1952 when someone in the Department of State, whose name I can't remember but you would have known him, asked me to go to - I've forgotten the correct title of the office in the Rue Ste. Florentine, the Talleyrand.

Q: The Talleyrand building.

FOBES: Yes, which was known as the U.S. delegation to NATO and OECD. They were together.

Q: They were?

FOBES: And there was one head of that, over both delegations. Ed Martin was at one point there, but he came, I think, later. At any rate, I accepted an appointment as a Foreign Service Reserve Officer early in '52, middle '52,

Q: In the State Department?

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FOBES: In the State Department.

Q: I see.

FOBES: I'd become restive with the then MSA, and with organization and management work. So I welcomed a chance to go to Paris in that capacity. I was an attach# for NATO management and budget and OECD management and budget. It was from that job in Paris - although I handled the NATO budget, reviewed the NATO budget, recommended the U.S. position on that, and did such things as scheduling the visits of John Foster Dulles to Paris, and Harold Stassen, opening the doors of their limousines, and cleaning the teeth of the lions in front of the Hotel Talleyrand on the Rue Ste. Florentine whenever a distinguished visitor was going to come.

Q: Now you're kidding! [Laughter]

FOBES: Well, we had to do lots of things.

Q: Almost; okay.

FOBES: Which reminds me. We haven't mentioned anything of the importance, under Marshall Plan days, of the country missions, which also had to be educated as to the significance of technical assistance and productivity. I visited a number of those country missions.

Q: This was when you were still with the . . .

FOBES: Still in the '48, '49, and '50 days, yes. I jumped back for a moment.

Q: Probably depended on the mission.

FOBES: Well, on both the country and the mission director, what kind of reception that you got.

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Q: Do you remember any anecdotes about that, about where you received a better reception than in others?

FOBES: I can't think of any now.

Q: Well, now, when you went to Paris - and not concerned so much with NATO but your OECD management and budget - what did that mean?

FOBES: It meant that Everett Bellows, who was a friend, and by that time he had Scott Behoteguy transferred out of the Industry Division into this Productivity Division. A man named Donald MacPhail - knowing of my previous experience - simply said, "Well, you're here in this combined delegation, and although your principal assignment is NATO, please come and help us. Please go and attend the productivity committee of the OECD."

Q: I see.

FOBES: And, I can remember, the OECD productivity work fascinated me more than the NATO budget, because there I had to question whether or not the offices of generals should have two wall plugs or only one - to caricature, obviously. The NATO administrative budget was not the greatest thing. And in other ways I helped Glen Wolfe, who was director of administration, I think.

Q: By then for the Office of the Special Representative because Harry Fite had left. In fact, I went over and arranged for Glen Wolfe to be put into the job, after long consultation with Graham Martin.

FOBES: I was going to say, Graham Martin and I had difficulties at times, he being in the embassy as the senior counselor.

Q: I don't know who didn't have difficulties with Graham Martin, may he rest in peace.

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FOBES: Yes, but he was a very able man.

Q: *Oh, yes.*

FOBES: So my period in Paris, which was '52 to '55, was a very interesting period I enjoyed because of the variety of assignments.

Q: *And the productivity, was it a committee of OECD?*

FOBES: It was a committee appointed by the OECD council.

Q: *And this was a pretty active organization?*

FOBES: Very active. I had already met the man who was the prime mover in OECD of this committee.

Q: *This was a committee of OECD, not OEEC (Organisation for European Economic Co-operation)?*

FOBES: It was still OECD at that time. I had met Dr. Alexander King in Washington. King had headed the United Kingdom Scientific and Industrial Mission shortly after the war, so it was one of the missions in Washington that I, in the Marshall Plan, kept contact with. And, in fact, in Washington there was an informal gathering every month of all of the scientific and industrial advisers in European embassies in Washington.

Q: *Oh, really?*

FOBES: And King was one of the prime movers of that. So I had met Alexander King. Subsequently he returned to Britain, and was sent by Britain as one of its representative to the OECD. He then accepted a position with OECD, and he became the director of science and manpower in OECD. He became the one who pushed the productivity committee and supported it.

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Q: This was someone whom you'd known here in Washington?

FOBES: I'd known him in Washington.

Q: So it was easy to work with him.

FOBES: Since you're getting all kinds of recollections out of me, I can say that it was easy to work with him. He was - and still is - a very noted chemist, who had a distinguished role during the war as the principal scientific adviser to a minister of state.

And Alex King left OECD in 1968, he joined with Aurelio Peccei, Italian industrialist. He and Alexander King in 1968 founded something which is still going, called the Club of Rome. The Club of Rome is 100 persons from 50 countries who were disturbed that leaders - both government and industry in '68 - were thinking in short-term perspectives, were not looking at the interrelationships among world problems, and were not thinking of the world as a whole. Those gathered in the Club of Rome felt they had a responsibility to try to help leaders broaden their perspective.

Its first report was published in 1972, called "Limits to Growth," and caused a great controversy. The Club of Rome was then labeled as the "prophets of gloom and doom," because the report, which was done by MIT (Massachusetts Institute of Technology), said that if you go on using resources, polluting the atmosphere, allowing population to continue to grow, exhaust your soils and so on, at some point there would be breakdowns, so we ought to think of a better way to organize the world. Well, this recollection is because of Alexander King, who's a friend who's now 82 years old, and because I'm a member of the Club of Rome.

Q: I see. I want to hear more about that.

FOBES: But to finish something about myself, in 1955 - I'm sorry that I can't remember the name again of the man in the Department of State who arranged it - I returned to

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Washington, was transferred from Foreign Service Reserve to regular Foreign Service, and became the director of the office of international administration in the Bureau of International Organization Affairs under Francis Wilcox.

Q: Good man.

FOBES: Great man. Very fine person. Which office was concerned with administrative, budget, personnel matters of international organizations, and controlled our contributions to international organizations.

Q: Francis Wilcox had come from the Senate Committee on Foreign Relations.

FOBES: He was the chief of staff of the Senate Committee on Foreign Relations.

Q: For many years.

FOBES: I had a background in international organization even before the Marshall Plan. The Marshall Plan helped me learn more through the OECD experience, but I had worked for the United Nations in 1945 and '46, and, in fact, had written the financial regulations, the personnel regulations, and other administrative measures that are still part of the UN procedures manual.

Q: But to go back to '45 and '46, were you then with the Bureau of the Budget or were you actually assigned to it?

FOBES: In 1945 I was in military service on loan to the United Nations. I was with the Preparatory Committee of the United Nations, as it was known. I went back to the Bureau of the Budget (for which I had worked briefly in 1942), in March of '46, working for Don Stone. I was then placed on loan to the United Nations, again - not full time.

Q: You say you "returned" to the Bureau of the Budget. Were you with them before the military service?

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FOBES: Yes, a period of about six months before I was inducted into military service.

Q: I see. And those six months that you were with the Bureau, with what part of the Bureau were you at that time?

FOBES: I was also in the administrative management division, as was Don Stone, who was the director of that.

Q: And you had some cohorts such as?

FOBES: Walter Laves and Harold Seidman.

Q: And the man who died, Arnold Miles. Yes, a very, very famous unit I might say.

FOBES: And since you're asking all these background questions, Stone allowed me to continue this role in the United Nations that I had performed when I was on loan from military service. I was the secretary to the advisory group of the first secretary general, Trygve Lie, on administrative personnel and budgetary matters of the United Nations. So for roughly a year and a half I was helping the United Nations get started from an administrative point.

Q: So when you came back to the State Department in 1955 you had had this previous experience with the UN, plus all the experiences . . .

FOBES: Do you remember a man named William Hall?

Q: Oh, yes, very well.

FOBES: Well, Bill Hall was also on loan to the UN in 1945 in his case from the U.S. Navy; I was on the U.S. Air Corps. He was also on loan to the United Nations, on the same general field. Bill Hall eventually came back to the Department of State, I to the Bureau of the Budget. This will amuse you, I'm sure, and I think we could say this was 1947.

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Bill Hall spent time at the United Nations, he being the principal officer in the Bureau of International Organization Affairs. Whenever he would leave IO Bureau to go to New York, I would be loaned by the Bureau of the Budget to the Department of State to work on United Nations budget matters.

Hall and I used to joke about it. I would come over and take his drafts of justification for appropriations for international organizations and fix - edit - them. Then he would come back from New York, I would go back to the Bureau of the Budget, and he would send me the Department of State's justification for the appropriation contributions to international organizations, which he had written first and which I had edited in the Department of State, and then it came to me, as the Bureau of the Budget examiner of these estimates, to approve the justification. So it was very much a conspiracy - but a good one!

Q: So in '55 you came back?

FOBES: And became the head of this Office of International Administration, as it was called.

Q: So by then you were really almost completely devoid of anything to do about the foreign assistance programs of the United States to Europe?

FOBES: Yes, except I want to say that, again, I was loaned by the Department of State to serve as a member of the United Nations Advisory Committee on Administrative and Budgetary Questions, which is a UN General Assembly committee on which Bill Hall had served, and since then other distinguished Foreign Service types, Virginia Housholder, for example. I forget others who have served on that.

It meant I spent perhaps four months of each year serving on this United Nations committee. That was for four years; end of '55 to 1960. I managed to persuade the committee that one of the most important studies it should conduct was of the management of technical assistance. So for three years we visited every major UN

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agency, beginning with the UN itself, UNESCO in Paris, FAO in Rome, World Health Organization and International Labor Organization in Geneva, and conducted hearings on the management of technical assistance. And we produced a report on every agency of the UN system. I did that because I had never forgotten, and never lost my interest, in technical assistance. It meant that I had to know something about the U.S. bilateral program in order to relate, and other bilateral programs.

Q: On that subject - May I give you a little background. As you know, when Stassen set up the Foreign Operations Administration, he combined, as you remembered, the Institute of Inter-American Affairs, which was, I think, then kind of a semi-autonomous part of the technical cooperation administration, also known as Point Four, with FOA. When he did that he cut off the technical assistance arm of every agency in Washington that had an office of technical assistance. He abolished all those, the one in Agriculture, the one in Interior and so on. He tried to get an overall coordination of these activities.

Then you go, now, about that time, you're at the UN, where these things are pretty independent. The ILO, the FAO, the WHO. If you could be a grand wizard of all things, and you were sitting at the central UN headquarters, and could coordinate or put together these various agencies, would you in any way change the way they're being run now?

FOBES: In general, the answer is no. In general, the world has become so complex that governments, including technical assistance or international cooperation, will suffer if you try to go toward greater centralization. And coordination has usually meant a centralization to a degree that I think is a mistake, and loses the energies and initiatives of many partners in an effort.

Q: And may I add, Jack, you'd lose some of the constituencies for those activities when you centralize, too. Isn't that true?

FOBES: We Americans - and I'm as guilty as any - want things too neat, too ordered. I can't go into some of my thinking about new forms of coordination in what is a very

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complex world. But it applies to the United Nations system, it applies to Washington, DC, it applies to many governments. If you want a good quote, read some of the writings of V#clav Havel on his reflections in prison, and even now, and in his speech to the Congress. He says two things. Humanity needs a good deal more humility and not so much arrogance, and, secondly, we need a great deal of deconcentration and decentralization, which he ties in with democracy, and it reflects, obviously, Eastern Europeans' experience. But to me it's applicable in general.

David Owen was, you remember, the chairman of an interorganizational committee at the UN on technical assistance. Although you can make many complaints about the way in which the specialized agencies tried to grab their share of the monies for technical assistance, and operate sometimes in competitive fashion, one with another, David Owen as the chairman of that - I've forgotten the name of that interagency committee - did a marvelous job in the circumstances, in the '50s, of getting cooperation among the agencies. You remember.

And then, finally, Paul Hoffman was appointed as I've forgotten his title - but many governments became impatient of what they felt was too loose a coordination, and Paul Hoffman was given an appointment by the secretary general to head a new form of centralization of technical assistance in the UN, which eventually has become the United Nations Development Program currently under Bill Draper, Jr.

I still have 15 minutes. I need to leave at 11:00 to catch a bus for Baltimore.

Q: Okay. Jack, to summarize, or maybe not to summarize, but perhaps it will come out, as you look at Eastern Europe today and what's happening in Eastern Europe, or Central Europe, as its called, and looking back on your experience with the Marshall Plan, and you mentioned the Wolfsburg Conference, what would you recommend as to what should happen to help the Eastern European countries in their development?

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FOBES: Well, if I were a leader in the European Community, or in the Council of Europe, which are the two places that are jockeying now as to see who can have primacy in building what Gorbachev says is the new house of Europe, I would say, first of all we must enlist the support of the United Nations and its specialized agencies, because they already have been working with Eastern as well as Western Europe. And they also will help assure that Europe - the new Europe - remembers that it's part of the world as a whole, and that it must retain and even reinforce its links with the rest of the world. Right now, the poor countries of the south are very disturbed that the focus on Europe will not only divert funds from them, but also just lead to them being forgotten. This is a great mistake.

Well, by using the United Nations system of agencies to assist in building the new Europe, or the "new partnership" as the Wolfsburg conference tried to promote, the UN agencies can help Europe remember that it is part of the world as a whole. That's the first thing I would do.

And then, secondly, I would say, and it is very important given the posture of the United States, which, I'm sorry, started all the way back with Mr. Nixon, but particularly with Mr. Reagan, has become alienated to some extent from the UN system. Fortunately that's changing some; But the U.S. doesn't know how to relate to Europe now. So I'd say my second pitch is that I want the U.S. as a partner in establishing the new Western Europe-Eastern Europe relations, and in assisting them. Now, those are very general terms.

Q: Can you see any organizational or country-to-country relationship among the countries such as was in OEEC?

FOBES: I'm not sure about that. Well, you could argue logically that the Warsaw Pact is finished. Let NATO become an OEEC for all of Europe.

Q: For instance, I understand that there are only two flights a week between, say, Budapest and Prague, right today. There's very little interrelationship.

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FOBES: Good point.

Q: We won't go into it because it isn't a part of this interview. I know you've had a long relationship with UNESCO. Do you feel more optimistic, now that the Soviet Union is taking a more positive role in the UN, about the future of the UN and its specialized agencies?

FOBES: Oh, yes. No doubt about this, and I've been hoping that the U.S. would respond, and, in fact, I know that Mr. Shevardnadze has twice talked to [Secretary of State James] Baker about this, saying, "Look, what my boss Gorbachev is saying about the United Nations system, and not just the UN, New York, but the whole system, he really means it." And he has full support of a big community of Soviet professionals and scientists and so on. They want to be part of the world through the UN system, because they do know that. And they want the U.S. to be an active partner with the USSR in that.

Q: Well I might add that in this morning's newspaper on November 2, 1990, it says that the U.S. is finally paying up its past dues to the UN after all these years.

FOBES: But it's going to take five years to pay off all these arrears. Meanwhile the Soviet Union this year, I believe, will have paid up all of its arrears.

Q: Well, on that optimistic note, we'll end this interview. Thank you very much, Jack, for really one of the most interesting ones that I've had. Thank you.

FOBES: Well, I've enjoyed it, obviously, and I've tried not to be too loose or garrulous.

Q: No, it's been excellent. Thank you.

End of interview